MERCATOR
www.mercator.in

February 15, 2016

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 526235

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
Scrip Code: MERCATOR

Sub: Notice of Postal Ballot

Dear Sir,

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of Postal Ballot along with statement under Section 102 of Companies Act, 2013 and Postal Ballot form for your information and records.

Please acknowledge.

Thanking You,

Yours faithfully,
For Mercator Limited

Deepesh
Deepesh Joishar
Company Secretary

Mercator Limited

3rd Floor, Mittal Tower, B-Wing, Nariman Point, Mumbai 400021.
CIN:L63090MH1983PLC031418 Tel : +91 22 6637 3333 Fax : +91 22 6637 3344
Website: www.mercator.in E-mail: mercator@mercator.in

Postal Ballot Notice

(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014).

Dear Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, (the "Companies Act"), read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and other applicable laws and regulation, that Mercator Limited (the "Company") is seeking consent of its Members through Postal Ballot / Electronic voting (e-voting), for matter as considered in the Resolution appended below.

Accordingly, draft of the proposed Special Resolution together with the Statement pursuant to Section 102 of the Companies Act, 2013, read with Section 110 of the Companies Act, 2013 in respect of the special business of the Notice is being sent to you along with a Postal Ballot Form for your consideration and voting. The Board of Directors has appointed Mr. Haresh Jani, Practicing Company Secretary as a Scrutinizer, for conducting the Postal Ballot / E-voting Process in a fair and transparent manner.

You are requested to carefully read the instructions herein and printed in the Postal Ballot Form and return the Form duly completed in the attested self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours i.e 5 p.m on March 16, 2016 to be eligible for being considered. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Procedure for Voting through electronic mode'. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his Report to the Chairman after completion of the scrutiny of the Postal Ballots received and the votes casted by electronic mode. The Chairman or the Managing Director, or any other Director or Secretary of the Company will declare the Results of the Postal Ballot on Friday, March 18, 2016, at 5 p.m. at the Company's Registered Office at 3rd Floor, Mittal Tower, B-Wing, Nariman Point, Mumbai – 400021.The Results will be displayed at the Registered Office of the Company, besides being communicated to the Stock Exchanges on which the Company's Equity Shares are listed. The Results along with Scrutinizer's Report will also be posted on the website of the Company, viz. www.mercator.in and NSDL's E-voting Website https://www.evoting.nsdl.com for the information of the Member(s).

Special Business:

1. Sale of shares held by the Company in Mercator Lines (Singapore) Ltd., a step down subsidiary of the Company; through Mercator International Pte. Ltd., Singapore, a Wholly Owned Subsidiary:

To Consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules made thereunder (collectively the "Act"), Regulation 24 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 and Rule and Regulations made there under (including any statutory modifications, amendments or re-enactments of any of them for the time being in force), the Memorandum and Articles of Association of the Company and subject to other requisite approvals including approval of the lenders and all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary, and such other approvals, permissions and sanctions as may be required, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include a duly authorized Committee of Directors) to sell / transfer or otherwise dispose-off in one or more tranches, the entire investments i.e. 900,850,000 shares held in Mercator Lines (Singapore) Ltd., Singapore, a Step-down and a material subsidiary of the Company, held through a wholly owned subsidiary company Mercator International Pte. Ltd.(MIPL), Singapore to the Purchasers and at the consideration not less than the amount as mentioned below; or to any other Purchaser(s) (not being related party) with whom MIPL may finalise the agreement and on such other terms and conditions as may be approved by the Board:

Sr. No.	Purchaser	No. Of Shares	Consideration (In Singapore Dollar)
1.	Bellerophon Holdings Pte. Ltd., Singapore	300,284,000	1
2.	MIB Investments Private Limited, Singapore	300,283,000	1
3.	Wroclaw Holdings Limited, British Virgin Islands	300,283,000	1
	Total	**900,850,000**	**3**

RESOLVED FURTHER THAT for the purpose of implementation of this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, including but not limited to deciding the time, mode, manner, extent and tranches of, purchaser(s) (not being related parties), if required and other terms and conditions of the divestment/sale of the shares of MLS as aforesaid, negotiating and finalising the terms of sale / offer for sale, executing necessary agreement(s), deeds, documents, indemnities, contracts, declarations, undertakings, forms, letters and other papers as may be necessary, desirable and expedient to be agreed, signed and executed and to take all incidental and necessary steps for and on behalf of the Company, and to settle all questions or queries that may arise in the course of implementing this resolution including to seek registration of any such documents, deeds, filing intimations, applying for and on behalf of the Company and seeking necessary consents and approvals; AND to delegate any or all of its powers vested on it by this resolution to any of its Committee, or individual Director(s), or other officers or executives or such other persons like contractors, advisors, advocates, attorneys, lawyers, bankers, merchant bankers, investment bankers, or any other appropriate agency or persons .

RESOLVED FURTHER THAT all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and / or any of its Directors and / or officers and / or representatives for and in the name of the Company in this regard be and the same are hereby noted, ratified and approved."

By Order of the Board of Directors
For Mercator Limited

Deepesh Joishar
Company Secretary

Dated: February 11, 2016
Registered Office:
3rd Floor, Mittal Tower, B-Wing,
Nariman Point, Mumbai-400021.

Notes:

a. The Statement pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, setting out the material facts is annexed hereto.

b. All documents referred to in this notice and the explanatory statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection by the members at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m., upto the date of declaration of results of the Postal Ballot.

c. Resolution passed by the members through Postal Ballot is deemed to have been passed at a General Meeting of the members of the Company held on the date of declaration of the results of the Postal Ballot.

d. Members whose names appear on the Register of Members / List of Beneficial Owners as on February 5, 2016 will be considered for the purpose of voting. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on February 5, 2016. A person who is not a member as on February 5, 2016 should treat this notice for information purposes only. The Postal Ballot Notice is being sent to Members who have registered their email IDs for receipt of documents in electronic form to their email addresses registered with their Depository Participants / the Company's Registrar and Transfer Agent. For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent by permitted mode along with postage prepaid self-addressed Business Reply Envelope.

e. In terms of Section 108, 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the item of business given in the notice through electronic voting system, to shareholders through the e-voting platform provided by National Depository Services Limited (NSDL). The members may cast their votes on electronic voting system. The e-voting period will commence at 9.00 a.m. on Tuesday, February 16, 2016and will end at 5.00 p.m. on Wednesday, March 16, 2016. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period. The Company has appointed Mr. Haresh Jani of Haresh Jani & Associates, Practicing Company Secretaries (Membership No. FCS 4570), to act as the Scrutinizer, for conducting the Postal Ballot Process in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

f. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Postal Ballot and e-voting, then voting done by e-voting shall prevail and voting done through valid Physical Ballot will be treated as invalid.

g. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed Business Reply Envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Shareholders will also be accepted.

h. For any grievances / queries connected with the voting by postal ballot including voting by electronic means, shareholders may contact the undersigned at investors@mercator.in or write to him at the registered office of the Company or may contact Mrs. Pallavi Mhatre, Ass. Manager, NSDL, email id. pallavid@nsdl.co.in, contact no. 02224994545.

i. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny of the Postal Ballot Forms received in physical mode and the votes casted through electronic mode. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

j. The results of the Postal Ballot will be published in the Newspaper (English and Vernacular) immediately after declaration of the results and will be placed at the website of the Company at www.mercator.in for information of Members besides being communicated to all the Stock Exchanges on which the shares of the Company are listed.

Procedure for voting through electronic mode:

I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of physical mode. The instructions for e-voting are as under:

a) In case a Member receives an e-mail from NSDL:

i. Open the e-mail and also open PDF file namely "Mercator e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
ii. Launch Internet browsing by typing the following URL https://www.evoting.nsdl.com.
iii. Click on Shareholder — Login.
iv. Put User ID and password as initial password noted in step (a) above. Click login.
v. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits / characters or a combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
vi. Home page of 'e-voting' opens. Click on 'e-voting'- Active Voting Cycles.
vii. Select "EVEN" of Mercator Limited.
viii. Now you are ready for e-voting as "Cast Vote" page opens.
ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when, prompted.
x. Upon confirmation the message "Vote cast successfully" will be displayed.
xi. Vote once cast cannot be modified.
xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to hmjani@gmail.com, with a copy marked to evoting@nsdl.co.in.

b) In case of shareholders' receiving Postal Ballot Form by post/courier initial password is provided at the bottom of the separate form attached. Please follow all steps from Sl. No. a(ii) to Sl. No. a(xii) above, to cast vote.

II. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the "downloads" section of www.evoting.nsdl.com or call 1800-222-990.
IV. Members who have acquired shares after the dispatch of the Notice may obtain the user ID and Password by sending a request at evoting@nsdl.co.in or mercator@mercator.in. However, if you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-222-990.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1:

Mercator International Pte. Ltd., a wholly owned subsidiary of the Company (MIPL) holds 900,850,000 shares ("Shares"), constituting 66.17% of the capital of Mercator Lines (Singapore) Ltd. (MLS). MLS is listed on Singapore Stock Exchange (presently trading in its shares is under suspension). MLS is engaged in the business of Dry Bulk cargo and has been suffering heavy losses during the past few years.

The Dry Bulk business has been subdued since financial crisis beginning 2008; barring a short up movement. The last 2-3 years have continuously seen a steep decline in dry bulk charter rate. The Baltic Dry Index, sector's key barometer, has collapsed from a level of 11,793 in 2008 to 291 on February 9, 2016 and not showing any signs of early revival in future. The significant imbalance in supply and demand for vessels, falling freight rates and the fall in vessel values have adversely impacted financial performance of MLS and consequently the consolidated financial performance of the Company. MLS has reported Loss after Tax of ~Rs. 424 cr (~USD 77 mn) for FY 13; ~Rs.140 Cr (~USD 23 mn) for FY 14 and ~Rs.768 Cr (~USD 125 mn) for FY15; and ~Rs. 136 cr (~USD 22 mn) for half year ended September, 2015. MLS currently carries a debt of ~Rs.1000 Cr.

In view of the above; MIPL was contemplating to exit dry bulk shipping pursuant to which it was intended that MIPL shall divest its shares in the MLS. MIPL has entered into Sale and Purchase Agreement with the following Purchasers, who are willing to buy shares of MLS held by MIPL at a price indicated against each of their names in the table given below:

Sr. No.	Purchaser	No. Of Shares	Consideration (In Singapore Dollar)
1.	Bellerophon Holdings Pte. Ltd., Singapore	300,284,000	1
2.	MIB Investments Private Limited, Singapore	300,283,000	1
3.	Wroclaw Holdings Limited, British Virgin Islands	300,283,000	1
	Total	**900,850,000**	**3**

None of the above purchasers is a related party, or related to any Director/Key Managerial Personnel/Promoters, or any of their relatives, or otherwise connected with them directly or indirectly; nor is any of them a Substantial Shareholder of MIPL or MLS or of our Company.

In view of losses suffered consecutively over past few years; the cash flows of MLS have been affected adversely and it has not been unable to service its lenders as well as creditors. One of the creditors of MLS had made an application to the Court of Republic of Singapore for an order that the Company be placed under the judicial management of a judicial manager (the "JM Application"). Hearing for the Judicial Management (JM) Application of the Mercator Lines (Singapore) Ltd (MLS) was held on January 18, 2016 and The Court approved placing MLS under JM. MLS has been under Judicial Management since then. Secured lenders have started enforcing securities. The Valuation of MLS is negative as per the valuation reports received from M/s. Jignesh Goradia & Associates, Chartered Accountants, and M/s CNK & Associates LLP, Chartered Accountants and Statutory Auditors of the Company. Trading in shares of MLS is also suspended on Singapore Stock Exchange with effect from November 12, 2015.

Considering all the above developments; the Board of Directors of your Company has approved sale of Shares of MLS at a nominal aggregate price of SGD 3 by MIPL, in the interest of the Company.

With the proposed sale of Shares of MLS, it will be ceased to be the Company's step-down as well as material subsidiary and as a result; the Debt of ~Rs. 1000 Cr will be reduced at consolidate level of the Company. This will allow the Company to streamline its operations and consolidate its business to create a viable and profitable business model at the consolidated level.

Provisions of Section 180(1)(a) of the Companies Act, 2013, restricts a company from selling, leasing, or otherwise disposing off the whole or substantially the whole of its undertaking without obtaining prior approval of the members by way of a special resolution. In terms of explanation to Section 180(1)(a), 'undertaking' means an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year. Further, the expression 'substantially the whole of the undertaking' in any financial year shall mean 20% or more of the value of the undertaking as per the audited balance sheet of the preceding financial year. Since the Company does not directly hold the investment in MLS, the provisions of Section 180(1)(a) of the Companies Act, 2013 would not be theoretically attracted. However since the Company's investment in MLS directly and indirectly through its subsidiary MIPL exceeds 20% of its consolidated net worth and since MLS also generated 20% of the total income of the Company on a consolidated basis during the previous financial year, it is thought prudent from a governance perspective and also as a matter of abundant caution desirable to seek approval of the Shareholders in terms of Section 180(1)(a) of the Companies Act, 2013.

Further, Regulation 24 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 provides that no company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting, except in certain specified cases. MLS being a material subsidiary, in terms of the Company's Policy on Material Subsidiary, as it contributed 48% of the consolidated revenue of the Company, it would be required to seek approval of the Shareholders of the Company for divesting from MLS completely.

In view of the aforesaid, your Directors recommend the said special resolution for your approval, as they feel the same to be in the interest of the Company.

None of the Directors, Key Managerial Personnel of the Company, or their relatives are in any way concerned or interested, financially or otherwise in this resolution, except as members to the extent of their shareholding in the Company.

By order of the Board of Directors
For Mercator Limited

Deepesh Joishar
Company Secretary

Dated: February 11, 2016
Registered Office:
3rd Floor, Mittal Tower, B-Wing,
Nariman Point, Mumbai-400021.

MERCATOR

MERCATOR LIMITED
CIN: L63090MH1983PLC031418
Registered Office: 3rd Floor, Mittal Tower, B- Wing, Nariman Point, Mumbai – 400 021
Tel: +91226637333, **Fax:** +912266373344
website: www.mercator.in **e-mail:** investors@mercator.in

POSTAL BALLOT FORM

Sr. No.:

1. Name and registered address of the sole / first named member (in block letters) :

2. Name(s) of the joint Member(s), if any (in block letters) :

3. Registered Folio number / DPID No. / Client ID No.* :

4. Number of shares held :

(* Applicable to investors holding shares in dematerialized form)

I / We hereby exercise my / our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company by conveying my / our assent or dissent to the said Resolution by placing the tick mark (√) at the appropriate box below:-

Item No.	Description	No. of Shares	(For)	(Against)
			I / we assent to the resolution	I / we dissent to the resolution
1.	To approve sale, transfer or dispose off the entire investment in shares held in Mercator Lines (Singapore) Ltd held through a wholly owned subsidiary company Mercator International Pte. Ltd.			

Place:-

Date: - (Signature of Member)

Note:- Please read the instructions printed overleaf carefully before exercising your vote.

ELECTRONIC VOTING PARTICULARS

EVEN (Remote E-voting Event Number)	User ID	Password
103779		

Instructions

1. A Member desiring to exercise vote by Postal Ballot shall complete this Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed Business Reply Envelope. However, envelope containing Postal Ballot Form, if sent by courier / any other mode at the expenses of the Member will also be accepted. The company also offers remote e-voting facility by electronic mode.
2. A Member can opt only one mode of voting i.e. either through e-Voting or by Ballot. If a Member casts vote by both modes, then voting done through E-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of Postal Ballot.
4. The self-addressed envelope bears the address of the scrutinizer. Members are requested not to send any other paper/s along with the Postal Ballot Form in the enclosed self-addressed Business Reply Envelope, as all such envelopes will be sent to the scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
5. This Ballot Form should be completed and signed by the member. In case of joint holding, the Form should be completed and signed by the first named Member and in his absence by the next named Member. The signature of the member(s) on this Postal Ballot Form should be as per the specimen signature registered with the company or furnished by the National Security Depository Limited/Central Depository Services (India) Limited, in respect of shares held in the physical form or dematerialized form, respectively.
6. In case of shares held by the Institutional Shareholders i.e. other than individuals, HUF, NRI etc. the duly completed Postal Form should be accompanied by certified copy of the Board Resolution / Authority Letter together with attested specimen signature(s) of duly authorized signatory(ies). Postal Ballot Form signed by the holder of Power of Attorney for and on behalf of a Shareholder of the Company must be accompanied by the copy of Power of Attorney duly certified by the Magistrate, Notary Public or Special Executive Officer or a similar authority holding a Public Office Authorized to use the Seal of his Office. If the Power of Attorney is already registered with the company or R & T Agents, please quote the registration number beneath the signature. Postal Ballot Form without relevant specific authority shall be considered as invalid.
7. Tick(✓) marks should be placed in the relevant box signifying assent/dissent for the resolution, as the case may be, before mailing the Postal Ballot Form. Members are entitled to vote For/Against Resolution covering total Number of Shares held by them.
8. There will be only one Postal Ballot Form for every Folio / Client ID irrespective of the number of Joint Member(s). Members are entitled to cast their voted differently i.e. all the votes either in favour or against or partly in favour or against.
9. Duly completed Postal Ballot Form should reach the scrutinizer not later than close of working hours i.e. 5.00 p.m. of March 16, 2016. Postal Ballot Form received after this date will be strictly treated as if the reply from the Members has not been received.
10. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at item no. 7 above.
11. Votes will be considered invalid inter alia, on the following grounds:
    a) If a form other than one issued by the Company has been used.
    b) If the Member's signature does not tally.
    c) If the Member's has marked all his shares both in favour and also against the Resolution.
    d) If neither assent nor dissent is mentioned.
    e) If the Postal Ballot Form is unsigned.
    f) If the Postal Ballot Form is received in torn or defaced or mutilated condition to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more such grounds.
    g) If the Postal Ballot Form is received in such a state that it is incomplete, or incorrect, or otherwise it is not possible to assess the Member's intention to vote.
    h) If any competent authority has given directions in writing to the Company to freeze the Voting Rights of the Member.
12. The result of the Postal Ballot will be announced on March 18, 2016 at 5 p.m. at the Registered office of the Company at 3rd Floor, Mittal Tower, B- Wing, Nariman Point, Mumbai – 400 021and will also be informed to BSE and NSE, and posted on the Company's website www.mercator.in and on website of NSDL i.e. https://www.evoting.nsdl.com/.
13. The Scrutinizer's decision on the validity of the Postal Ballot will be final.